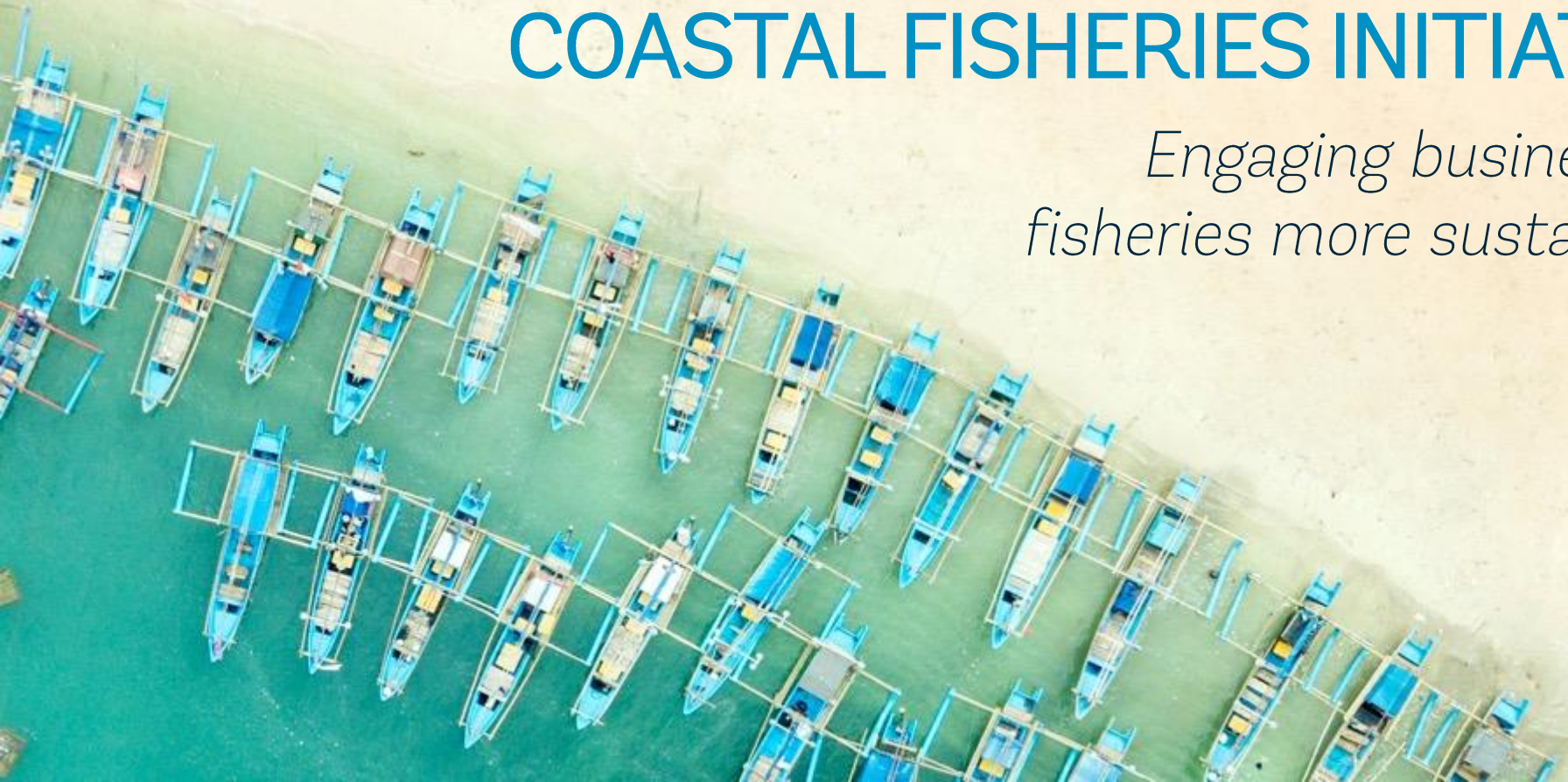




# INDONESIA CHALLENGE FUND

## COASTAL FISHERIES INITIATIVE

*Engaging businesses to make coastal fisheries more sustainable and productive*



# Indonesia Challenge Fund

An initiative by the World Bank to increase private sector engagement in sustainable fisheries in Indonesia

It aims to:

1. Provide knowledge and understanding from across Indonesia on the main barriers to private sector participation and investment in sustainable fisheries, and ways to address those barriers;
2. Support the development of business cases, return-seeking responsible investments that could be undertaken in a specific fishery; and
3. Identify potential investors for those business cases.



# Sustainable private investment in fisheries: what and why?

Investors  
(public)

Investors  
(private)

Type 1. Investors put capital into post-harvest businesses, fishing businesses, or fisheries management

\$

Post-harvest business

Type 2. Post-harvest businesses invest in sustainable harvest practices (gear or activities) or community management

\$

Fishing community or business

\$

Fishery improvement plans and actions

Type 3. Fishing businesses or communities invest in their own management practices

- Private investments in sustainability: Why?
- To secure supply chains
  - To increase market access
  - To meet CSR goals



# A range of actions and instruments are needed

## Barriers

1. Data deficiencies
2. Sub-optimal management
3. Few investable businesses or community schemes
4. Fisheries not a focus for social impact investing
5. Infrastructure and market access limitations means low returns to sustainability investments

## Actions Needed

### Short term:

- Boost businesses' investment prospects (business development/cases)
- Boost community-private relations (specific fisheries)

### Short and long term:

- Public/blended capital (support lending and granting)
- Private capital (increase investor understanding)
- Promote entrepreneurs

### Long term:

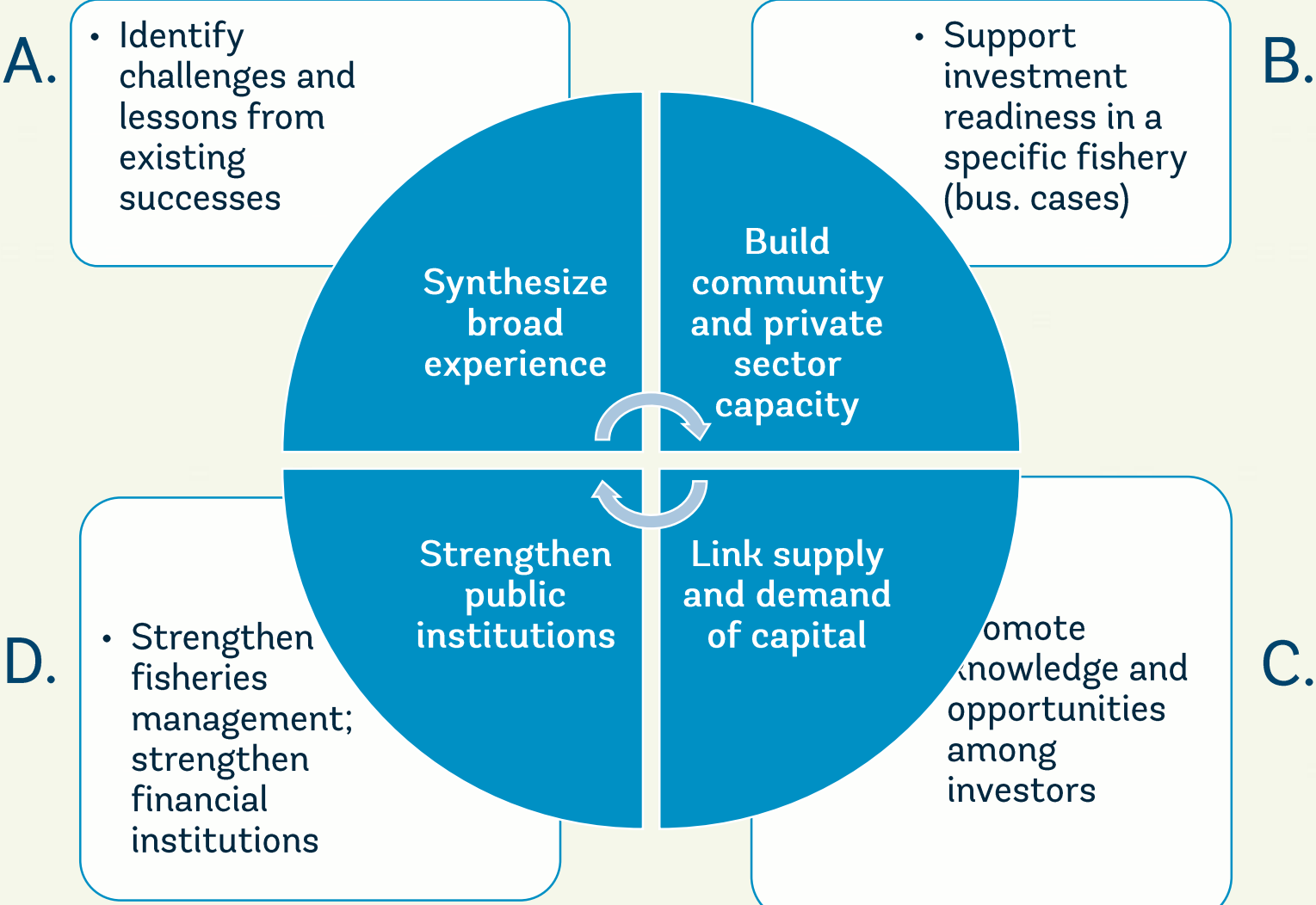
- Improve data
- Improve management

## Outcomes

- Successes cases understood, supported, and promoted
- Public and private financing available and finding investable opportunities
- Fisheries management improving



# Four mutually supportive pathways





Outline of proposed activities (2020-22) under each pathway to impact

# A. Synthesize broad experience (across Indonesia)

1. **Review the challenges:** **document** what holds back private sector investment and partnership with fishing communities across Indonesia.

Note: incorporate findings from global CFI knowledge products

2. **Find the successes:** Where has successful investment and partnership worked in Indonesia (**identify success “models”**), characterize these models, and determine how they overcame the identified challenges

(i.e. provide advice to private sector, assuming no change in enabling environment)

- **Deliverables:** (1) report on challenges and success models, (2) friendly handbook

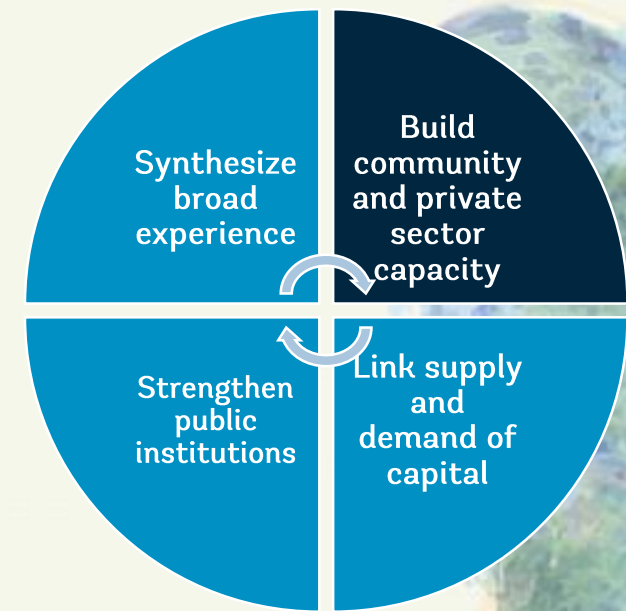


## B. Build community and private sector capacity

1. **Find new potential:** identify one or more fishery(s) (and associated community-business combination(s)) with the potential to benefit from the handbook's lessons (section A) and **apply a fishery assessment tool** (i.e. assess investment constraints).
2. **Improve investment-readiness:** Prepare **business cases** for the target fishery(s), indicating specific opportunities for sustainability-enhancing investments (at any point within the fishery's value-chain), and the expected benefits from those investments

**Deliverables:** (1) Report on outcomes and lessons learned (input into friendly handbook); (2) business plan with credible assessments of returns and risk.

**Note:** A and B move in parallel: deliverables finalized with mutual inputs, and initial results informing early stages of the activities.



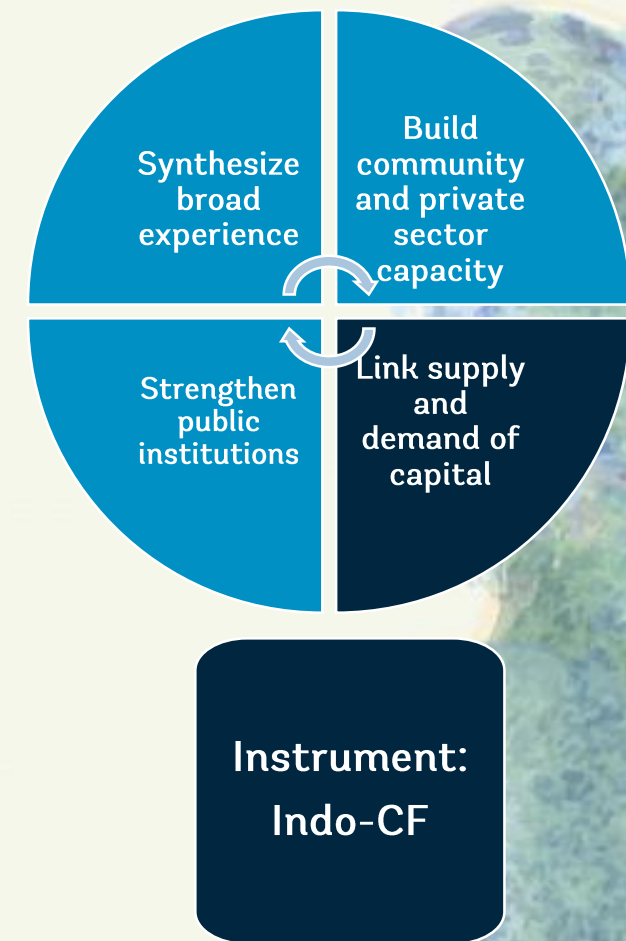


## C. Link capital supply and demand by promoting experiences

1. **Promote business plan:** Identify financing options for the identified investments / business cases created in B (including opportunities from public, private, and philanthropic sources, plus certification opportunities); advise investors on opportunities.
2. **Support entrepreneurship (TBC):** Support (1) an event showcasing sustainable fisheries orientated startups, or, (2) develop media materials to promote one or more sustainable fisheries-orientated startups (in collaboration with other organizations)

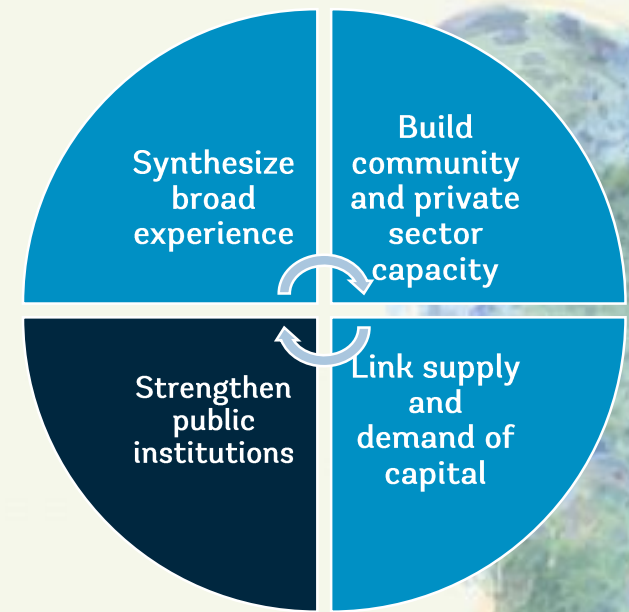
**Deliverables:** (1) Report (internal) on promotions activities; (2) entrepreneurship output

**Note:** C follows B, as is based on the business plan, but investor identification should start earlier.



## D. Strengthen public institutions for blue finance

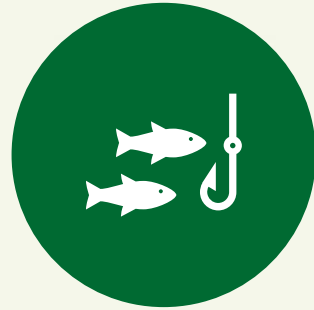
1. **Investment readiness guidelines (public):** based on A, B, C provide input and technical assistance to the development of new and existing financing facilities, focused on fisheries investments.
2. **Deliverables:** (1) Government requested input incorporating lessons from Indo-CF.



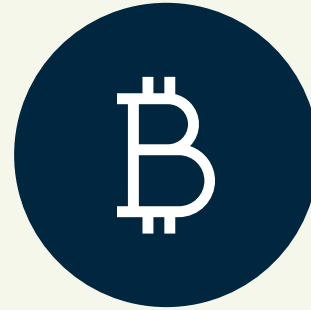
# Stakeholders



GOVERNMENT OF  
INDONESIA



FISHING  
INDUSTRY



BANKING AND  
INVESTMENT



OTHERS  
CSO/NGO, media, key  
influencers (community  
leaders, academics),  
public



# Stakeholders - Government

01

## KKP

Min of Marine Affairs & Fisheries  
*Set national policy and activities,  
outreach to other stakeholders*

- DG Capture Fisheries
- DG Improvement of Marine Products Competitiveness: marketing, logistics, quality, investment

02

## Kemenkomarvest

Coordinating Ministry of Maritime Affairs & Investment

*Coordination with MMAF and other ministries such as tourism, transport, investment, environmental, energy*  
Deputy Natural Resources & Services

03

## Bappenas

Ministry for National Development Planning

*Coordinate national development and also blue and green finance*

ICCTF – Indonesia Climate Change Trust Fund

04

## Provincial gov

*Executing agencies and policymakers at subnational level*

- The Province of CFI fishery focus
- Potentially the provinces in Lautra (Maluku, North Maluku, Papua, West Papua, East Nusa Tenggara)

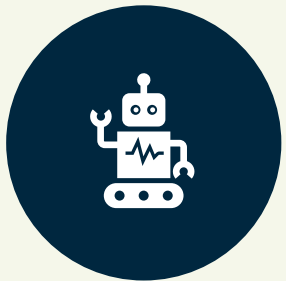
# Stakeholders – Fishing Industry



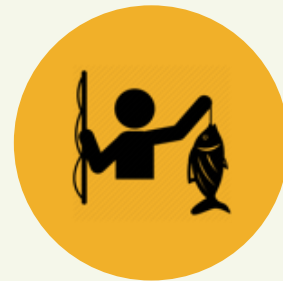
**Fisheries associations**  
tuna, snapper & grouper, blue swimming crab, shrimp, and aquaculture



**Processing companies**  
Including foreign investment



**(Tech) start ups in fisheries**



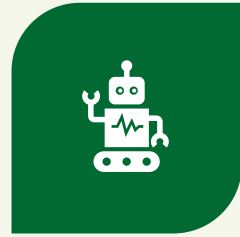
**Fishers**  
Fisher Associations, Fisher Co-ops



# Stakeholders – Banking and investment



BANKS



FINTECH



OJK



BLU  
LPMUKP



IFC





Thank You  
Terima Kasih